GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:6134
ANSWERED ON:05.05.2000
INDUSTRIAL SICKNESS
MADAN PRASAD JAISWAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have made the analysis of the reasons for industrial sickness in the country;

(b) if so, the details thereof and whether its main reasons have been identified; and

(c) if so, the steps proposed to be taken by the Government for proper industrialisation in the country, particularly in Bihar?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY(SHRI MURASOLI MARAN)

(a) to (c) : Data on sick industrial units, assisted by banks in the country, is compiled by the Reserve Bank of India (RBI).According to the RBI report, a number of causes, both internal and external, often operating in combination, have been responsible for industrial sickness. The main causes include deficiencies in planning, management, marketing, etc.

The Government provides a policy regime that facilitates and fosters growth and development of industry. For balanced development and dispersal of industry in the country, including Bihar, the Government has schemes for setting up Growth Centres and for providing financial, entrepreneurial, technical and institutional support, both at Central and State level. In Bihar, 6 Growth Centres, viz. Begusarai, Bhagalpur, Chhapra, Muzaffarpur, Hazaribagh and Darbhanga have been sanctioned for implementation.

The Government has also taken a number of steps for revival of sick industrial units which, inter-alia, include, guidelines of Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies(Special Provisions) Act 1985, National Equity Fund etc.